



U. S. Department
of Transportation
**Federal Aviation
Administration**

Great Lakes Region
Illinois, Indiana, Michigan
Minnesota, North Dakota,
Ohio, South Dakota,
Wisconsin

2300 East Devon Avenue
Des Plaines, Illinois 60018

Policy and Procedures Memorandum-Airports Division

NUMBER: 5030.2

DATE: OCT 26 2000

SUBJECT: Annual Review of the Terminal Area Forecast (TAF) and
Review of the Airport Master Plan (AMP)

REFERENCES: 1. Federal Aviation Administration (FAA) Order
5100.38A, Airport Improvement Program (AIP) Handbook,
Chapter 4, Planning Projects, dated September 21,
1990.
2. Program Guidance Letter 90-6, dated September 21,
1990.

APPENDIX: 1. FAA Memo dated May 28, 1998, FAA Review and
Approval of Aviation Forecasts

1. Background:

a. FAA's Office of Aviation Policy and Plans, Statistics and Forecast Branch, APO-110, forecast aviation activity at all commercial service airports and other airports with FAA towers and contract towers. APO-110 also forecast aviation activities at non-towered and privately towered general aviation (GA) airports that have documented and verified operations counts, such as air traffic surveys or private tower counts. APO-110's forecast is based on historical relationships between aviation activity measures and national economic variables influencing aviation. The forecast assumes unconstrained demand and takes into account local and national economic conditions as well as conditions within the aviation industry. At the non-towered and privately towered GA airports where operations data is available only from FAA Form 5010, the Airport Master Record, APO-110 projects a constant activity level. APO-110 only projects growth in aviation activity at these GA airports when the FAA Region and/or airport owner sufficiently documents the base year operations count.

b. Each year, usually in June, APO-110 sends a draft, updated TAF for that fiscal year, to the Regions for review and comment. Based on the review, APO-110 may incorporate the Region's proposed changes if they are consistent with activity trends and local economic conditions, or the proposed changes are sufficiently justified.

Distribution: AGL-600/601/602/610/620
BIS-ADO/CHI-ADO/DET-ADO/MSP-ADO
ALL STATE AVIATION DIRECTORS (FOR INFORMATION THROUGH ADO)

Originated by: AGL-610

c. The AMP forecast, prepared by local authorities, may be incorporated into the TAF if APO-110 concludes that the method(s) used to develop the forecast is acceptable and that there is sufficient justification to change the TAF. APO-110 will incorporate increases in commercial aviation activity above the recent historical trend (past 5 years) if the AMP contains evidence that air carriers and/or commuters have scheduled new service into the airport. APO-110 may also incorporate increases into the TAF when the Airports District Office (ADO) or Block Grant State furnishes justification of the strong likelihood that air carriers and/or commuters will initiate new service into the market.

d. The TAF assumes an unconstrained demand for aviation services based upon local and national economic conditions as well as conditions within the aviation industry. The TAF is developed independent of the ability of airports and the air traffic control system to supply the capacity required to meet the demand.

e. For all FAA towered locations and non-FAA facilities with air carrier or commuter/air taxi service, the forecast should reflect prevailing local and national trends. For non-FAA facilities that rely solely on FAA Form 5010 data for the reporting of GA activity levels, future activity is held constant unless a Regional official updates the activity levels.

2. Policy/Procedures. This policy applies to commercial service airports, reliever airports with air traffic control towers, and large GA airports (50 or more based aircraft). The forecast used in the planning stages should be the same forecast used to assess environmental impacts and to support funding decisions.

a. [Reference is made to second paragraph of Appendix 1: "*If the forecast varies considerably from the existing FAA Terminal Area forecast, then differences must be resolved before proceeding any further.*"] The ADO/Block Grant State should not approve or accept an AMP forecast or approve an Airport Layout Plan (ALP) if the forecast used to develop these documents differs significantly from the current TAF unless the forecast has been coordinated with APO-110. (Please see paragraphs 3 through 8 of the is PPM.) If a sponsor's forecast developed for National Environmental Policy Act (NEPA) and/or FAR Part 150 documents is the justification used for updating the TAF, then this forecast should also be coordinated with APO-110 if there is a significant difference. If the forecast difference(s) cannot be resolved, the FAA may accept the sponsor's forecast, without approving it, for grant closeout or administrative purposes.

b. An aviation forecast for large and medium hub airports can be used for a variety of reasons that include NEPA documents and FAR Part 150 noise studies. A difference of ten-percent (10%), or more, between the sponsor forecast and the TAF, for large and medium hub airports, based on the total aircraft operations forecasted in the last year of the TAF period is considered significant. Attempts to resolve the significant difference should include discussions and coordination with APO-110. If the significant difference cannot be resolved, the ADO/Block Grant State may accept the sponsor's forecast, without approving it, for grant closeout or administrative purposes. Not approving the sponsor's forecast may preclude any FAA changes in the airport role, the ALP, and development projects.

c. The forecast at other than large and medium hub airports are important for the planning and development of aviation related facilities and improvements. At these locations, a difference between the sponsor forecast and the TAF is considered significant if the sponsor forecast could be used to justify changes in the ALP, airport role, or proposed development and the TAF does not support such changes. [For example: A 20% difference between the sponsor forecast and the TAF for a large GA airport may not justify any changes in the ALP, airport role, or future proposed airfield development. This 20% difference is NOT considered significant for the purposes of this PPM.] Attempts to resolve the significant difference(s) between the sponsor forecast and the TAF should include discussion and coordination with APO-110. The ADO/Block Grant State may accept the sponsor forecast as long as the sponsor forecast does not cause a change in the ALP, airport role, or facility requirements. If a significant difference between the sponsor forecast and the TAF cannot be resolved, the ADO/Block Grant State may accept the sponsor forecast, without approving it, for grant closeout or administrative purposes. Not approving the sponsor forecast may preclude any FAA changes in airport role, the ALP, and development projects.

3. Sponsor Actions with Respect to Updating the TAF:

a. If the sponsor forecast significantly differ from the TAF (as described in Paragraphs 2.b. and 2.c.), the sponsor should provide documentation to the ADO/Block Grant State justifying the difference. This documentation is subject to approval by the FAA.

b. If a significant increase in commercial activity above the recent historical trend (past 5 years) are being forecast, the sponsor should submit evidence that air carriers and/or commuters have, or are planning to have, new scheduled service into the airport and other appropriate justification as needed.

c. If a significant activity increase at non-towered and privately towered airports above the recent historical trend (past 5 years) are being forecast, the sponsor should provide documented and verified operation counts. These can include air traffic surveys or private tower counts. FAA Form 5010 data alone is not sufficient.

4. ADO/Block Grant State Actions with respect to the Annual TAF review and in response to Sponsor actions: NOTE: The Block Grant state will send and receive all correspondence through the ADO.

a. The ADO/Block Grant State should review the annual draft TAF update paying particular attention to commercial service airports, reliever airports with air traffic control towers, and large GA airports (50 or more based aircraft). The review should also focus on airports where documentation has been or will be submitted to APO-110.

b. The ADO/Block Grant State should forward its comments and justification for any TAF update in a memo to AGL-610.

c. If the ADO/Block Grant State recommends the TAF to show a significant increase in commercial activity that is above the national trend or the airports recent historical trend (past 5 years), the ADO/Block Grant State should include an explanation in their justification memo that there is a strong likelihood of air carrier

and/or commuters starting new service into the airport and forward it to AGL-610. For non-towered and privately towered airports, this information should include verified operation counts. Information only from FAA Form 5010 is not sufficient.

5. AMP Forecast Reviews by the FAA: If development identified in the AMP is to be federally funded, the FAA must approve the AMP forecast. The ALP describes and depicts existing facilities and planned development of the airport and is a required part of an AMP. ALP updates may be submitted separately to the FAA. The FAA can approve the ALP either conditionally or unconditionally. ALP approval (conditionally or unconditionally) constitutes FAA approval of the design and planned airport development and/or airport improvements.

a. The ADO/Block Grant State should review the AMP forecast to determine if there is a significant difference with the TAF.

b. If there is no significant difference and the ADO/Block Grant State agrees with the forecast, the ADO/Block Grant State may advise the sponsor in writing that the sponsor AMP forecast is approved for use in subsequent master planning elements.

c. If there is a significant difference and the ADO/Block Grant State agree with the sponsor forecast, the ADO/Block Grant State will prepare a memo to APO-110, through AGL-610, transmitting the forecast, supporting documentation, and a recommendation that the sponsor forecast be incorporated into the TAF. For non-towered and privately towered GA airports, the documentation should include verified operation counts, such as air traffic surveys or private tower counts. Information only from FAA Form 5010 data is not sufficient. The ADO/Block Grant State should request a response within 15 working days of APO-110 receiving of memo.

d. Based on the ADO/Block Grant State knowledge of a location, the ADO/Block Grant State may recommend the TAF be updated to show an increase in commercial activity above the recent historical aviation activity trend (past 5 years) even if the AMP does not contain adequate justification that air carriers and/or commuters will have scheduled new service into the airport. In this case, the ADO/Block Grant State should include an explanation in their justification memo to APO-110, through AGL-610, that there is a strong likelihood of air carriers and/or commuters starting new service into the market and provide other justification as needed.

e. APO-110 will respond by e-mail to AGL-610 unless otherwise requested. AGL-610 will review and forward the information to the ADO.

f. If APO-110 accepts any or all of the differences between the sponsor forecast and the TAF, AGL-610 will advise the ADO, and in turn, the ADO/Block Grant State will advise the airport owner in writing that the accepted forecast difference(s) are approved for use in subsequent master planning elements.

g. If APO-110 does not accept the sponsor forecast, APO-110 will advise AGL-610 of the reasons for the determination and, in-turn; the ADO/Block Grant State will inform the airport owner in writing that the documentation does not support a revision of the TAF.

h. If APO-110 does not accept the sponsor forecast for revision to the TAF, and the sponsor chooses not to revise the AMP forecast, the FAA should state in the AMP acceptance letter, in the ALP approval letter, or in other correspondence with the sponsor that FAA's funding decisions will be based on the TAF rather than the sponsor forecast.

6. AGL-610 Actions Regarding the Annual TAF Update:

- a. Provide leadership in the TAF review process.
- b. Send the annual TAF draft update to the ADOs and the Air Traffic Division for review and comment specifying a response deadline.
- c. Consolidate comments from the ADO/Block Grant States and Air Traffic Division and resolve any differences.
- d. Send the Regions consolidated TAF comments to APO-110 by the required deadline date.
- d. Advise the ADO if an APO-110 response has not been received within 15 working days and determine the reason for the delay.

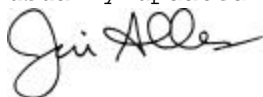
7. Air Traffic Actions Regarding the Annual TAF Update:

- a. After receiving the draft TAF update from AGL-610, forward to the appropriate office the draft TAF update for each contract Airport Traffic Control Tower (ATCT) location and ask that that office to review and provide comments on each individual location.
- b. Consolidate the draft TAF update comments from the contract locations and send them to AGL-610 by the response deadline date.

8. APO-110 Actions with Respect to TAF Updates and AMP Forecasts:

- a. Review the recommendations regarding the AMP forecast and determine whether the AMP forecast is acceptable for TAF inclusion.
- b. Within 15 working days of APO's receipt of the ADO's memo (sent through AGL-610), provide AGL-610 with comments via e-mail.
- c. If APO-110 cannot respond within 15 working days of receipt of the memo, advise AGL-610 of the reason(s) for the delay and when a response may be expected.
- d. Include the AMP forecast in the TAF if accepted.
- e. Regarding the draft annual TAF, APO-110 will incorporate the Regional comments into the next official TAF update or provide the Region with information why the Regional comments were not used.

9. Additional Information: The latest FAA approved TAF may be found on the FAA website under <http://www.apo.data.faa.gov>. The TAF is usually updated on this website in November of each year.



Jeri Alles
Manager, Airports Division

OCT 26 2000



U.S. Department
of Transportation
Federal Aviation
Administration

Memorandum

Subject: FAA Review and Approval
of Aviation Forecasts

Date: MAY 28 1998

From: Director, Office of Airport
Planning and Programming, APP-1

Reply to
Attn. of:

To: Manager, Airports Division
All Regions

Several recent cases have highlighted the need for regional review of airport master planning documents in general and aviation forecasts in particular. Forecasts must be accurate when they drive decisions about timing and scale of major investments. In instances where the sponsor's forecast is too high, the result can be a premature, unneeded, or overscaled development proposal. An unrealistically high forecast can inflate the representation of project need, size, and benefits beyond what the FAA can reasonably support in environmental documents and funding decisions. On the other hand, a forecast that is too low can result in the understatement of environmental impacts and of benefits that influence funding. Either situation, too high or too low, can jeopardize a project.

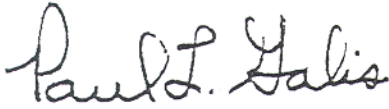
The current guidance concerning FAA approval of forecasts was transmitted by Program Guidance Letter 90-6 and is contained in Chapter 4, section 428a of Order 5100.38. The guidance states that the FAA should review sponsor forecasts to ensure they are realistic, supported by information in the study, and provide an adequate justification for the airport planning and development. If the forecast varies considerably from the existing FAA Terminal Area Forecast, then differences must be resolved before proceeding any further.

As a general rule, it is good to advise the sponsor as soon as possible about potential problems with forecasts. This office will do all it can to help, when we are asked for assistance. Unfortunately, in too many cases this problem is not identified as early as it needs to be to avoid problems that affect the environmental or funding processes. It is also important to have consistency throughout all aspects of a proposed project, so that the forecast used in the project planning stage is the same as that used to assess environmental impacts and to support funding decisions.

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You are also reminded to transmit final summary documents for system plan projects and final master planning reports with ALP's for large and medium hub airports to APP-400 as stated in Section 427b of Order 5100.38.

A handwritten signature in cursive script that reads "Paul L. Galis". The signature is written in dark ink and is positioned above the printed name.

Paul L. Galis